


STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT <input type="checkbox"/>		
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Thurston 7-9-9-24GR		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT DEVILS PLAYGROUND		
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME		
6. NAME OF OPERATOR THURSTON ENERGY OPERATING						7. OPERATOR PHONE 214 704-3896		
8. ADDRESS OF OPERATOR 365 W. 50 N. Ste W-8, Vernal, UT, 84078						9. OPERATOR E-MAIL rcurton@thurstonenergy.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-5217			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE		2067 FNL 2070 FEL		SWNE	9	9.0 S	24.0 E	S
Top of Uppermost Producing Zone		2067 FNL 2070 FEL		SWNE	9	9.0 S	24.0 E	S
At Total Depth		2067 FNL 2070 FEL		SWNE	9	9.0 S	24.0 E	S
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 2067			23. NUMBER OF ACRES IN DRILLING UNIT 120		
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 15			26. PROPOSED DEPTH MD: 5000 TVD: 5000		
27. ELEVATION - GROUND LEVEL 5193			28. BOND NUMBER UT-000181			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE White River Permit #49-2286		
ATTACHMENTS								
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES								
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Russell H. Cox			TITLE Operations Manager			PHONE 435 789-8580		
SIGNATURE			DATE 12/14/2010			EMAIL russell.cox@thurstonenergy.com		
API NUMBER ASSIGNED 43047514100000			APPROVAL <div style="text-align: center;">  Permit Manager </div>					

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	8.625	0	2000		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	2000	24.0			

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Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	5.5	0	5000		
Pipe	Grade	Length	Weight			
	Grade N-80 LT&C	5000	17.0			

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Thurston Energy Operating Company

365 West 50 North STE. W-8 Vernal, UT 84078 (435)789-8580

10 Point Plan

Thurston Energy Operating Company

Thurston 7-9GR

Surface Location SW ¼ NE ¼ Section 9, T. 9S., R. 24E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum

Formation	Depth	Datum
Green River	Surface	+5,194' G.L.
Wasatch	4,330'	+864'
TD	5,000'	+194

A 12 ¼" hole will be drilled to 2,000'±. The hole will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Production Formation Depth

Formation objective includes the Green River and its sub-members.

Off Set Well information:

Permitted/Drilled:

RWS #3MU-9-9-24

Bonanza 16-8

Abandon Location:

Little Bonanza Fed #1-3

NGC #43-8

State #14-16

Abandon Wells:

Little Bonanza #1-4

Dirty Devil #U1-9

Bonanza #2B-16

Thurston Energy Operating Company

365 West 50 North STE. W-8 Vernal, UT 84078 (435)789-8580

Producing Wells:

Thurston 7-9

Devils Playground #41-9

Bonanza #4D-16

4. Proposed Casing:

Hole Size	Casing Size	Weight #/FT	Grade	Coupling & Thread	Casing Depth	New/ Used
12 1/4"	8 5/8"	24#	J-55	STC	2000'	New
7 7/8"	5 1/2"	17#	N-80	LTC	5000'	New

Cement Program:

Surface Casing will be cemented from 2000' to surface as follows:

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead	8 5/8"	Premium V	250 ^{sk} ±	3.82ft ³	11.0 ^{ppg}
		Prem Lite II. .05#/sk Static free, .25#/sk Cello Flake, 5#sk KOL Seal, .002 gps FP-6L, 10% Bentonite, .5% Na2SiO3, 3% KCL			
Tail	8 5/8"	Premium G	300 ^{sk} ±	1.15ft ³	15.8 ^{ppg}
		Class "G", 2% CaCl2, 25#sk Cello Flake			
Top Job	8 5/8"	Premium G	100 ^{sk} ±	1.15ft ³	15.8 ^{ppg}
		4% CaCL2, .25#/sk Cello Flake			

Thurston Energy Operating Company

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Production Casing will be cemented from TD to 1800' or higher as follows:

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead	5 1/2"	Premium V	220 ^{sk} ±	3.82ft ³	11.0 ^{ppg}
		Prem Lite II. .05#/sk Static free, .25#/sk Cello Flake, 5#sk KOL Seal, .002 gps FP-6L, 10% Bentonite, .5% Na2SiO3, 3% KCL			
Tail	5 1/2"	Premium G	450 ^{sk} ±	1.56ft ³	14.3 ^{ppg}
		Class "G", .05% Static Free, 2 NaCl, .1% R-3, 2% Bentonite			

5. BOP and pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000 psi WP BOP system as described in the BOP and pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during drilling operations.

6. Mud Program:

Interval	Mud ^{wt} lbs/gal	Vis. Sec/qt	Fluid Loss M1/30 ^{mins}	Mud Type
0-2000	Air/clear water	N/A	No control	Air/Water
2000-TD	8.4-11.5	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

Thurston Energy Operating Company

365 West 50 North STE. W-8 Vernal, UT 84078 (435)789-8580

8. Testing, Coring, Sampling and logging:

- a) Test: None are anticipated
- b) Coring: Possibility of sidewall coring
- c) Sampling: Every 10' from 2000' to TD
- d) Logging: Type: DLL/SFL W/GR and SP @ Interval: TD to Surface Casing. Type: FDC/CNL W/GR and CAL @ interval: TD to Surface Casing.

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Green River and Wasatch formations. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is 02/01/2011 Duration of operations is expected to be 15 days.



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PHOTO VIEW: FROM PIT TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO VIEW: FROM EXISTING ACCESS ROAD

CAMERA ANGLE: SOUTHEASTERLY

**THURSTON ENERGY
OPERATING COMPANY**

LOCATION PHOTOS

THURSTON 7-9-9-24 GR
2067' FNL, 2070' FEL
SW $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 9, T9S, R24E,
S.L.B.&M., UINTAH COUNTY, UTAH.

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN:
11-23-10

PHOTOS TAKEN BY: M.S.B.

SHEET

DATE DRAWN:
11-24-10

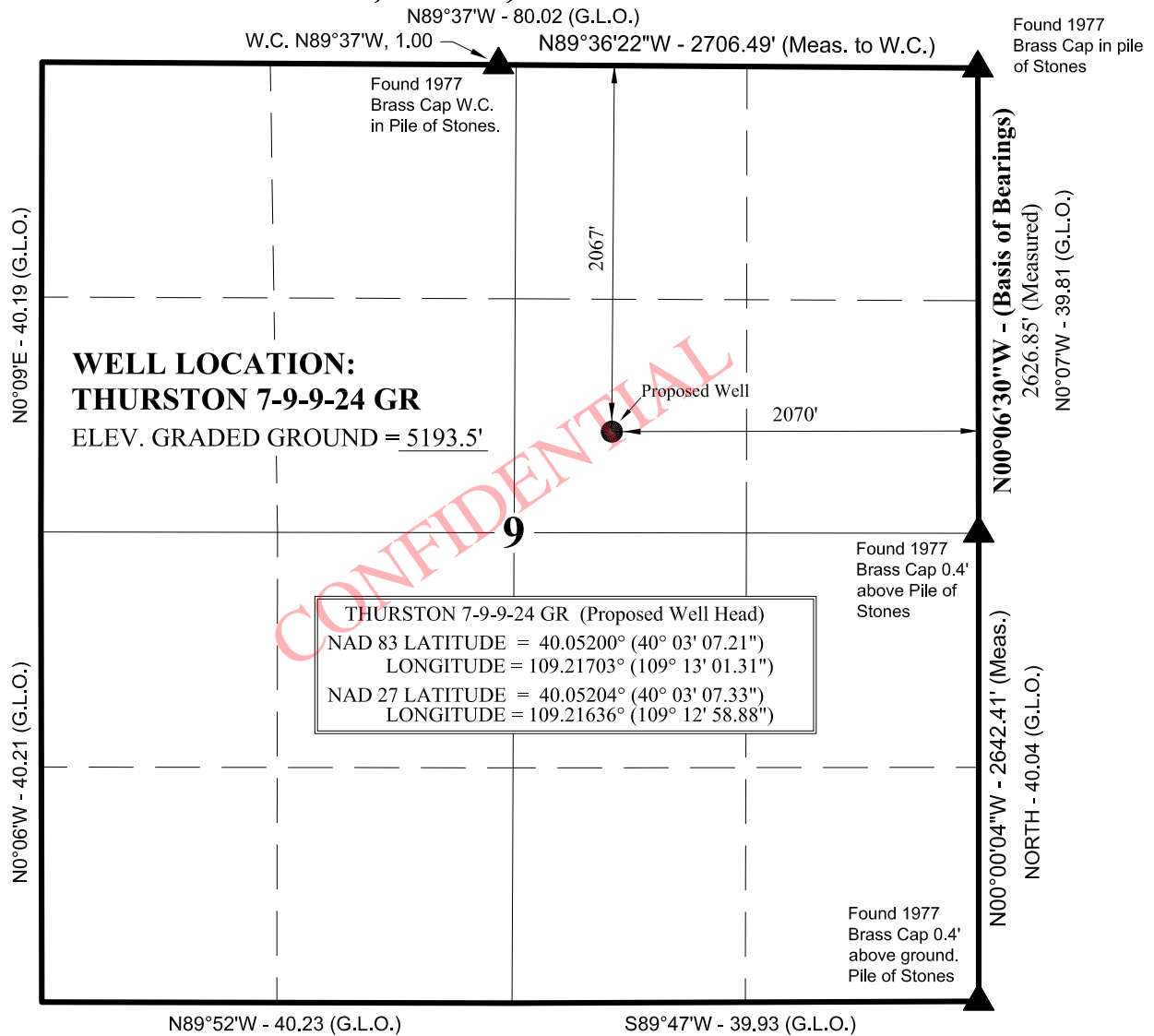
DRAWN BY: M.W.W.

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Date Last Revised:

OF 10

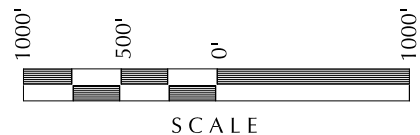
T9S, R24E, S.L.B.&M.



NOTES:

▲ = Section Corners Located

- Well footages are measured at right angles to the Section Lines.
- Government Land Office (G.L.O.) distances are shown in feet or chains. 1 chain = 66 feet.
- Bearings are based on Global Positioning Satellite observations.
- BASIS OF ELEVATION IS BENCH MARK 46 EAM LOCATED IN THE SW 1/4 OF SECTION 23, T9S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE BONANZA 7.5 MIN. QUADRANGLE AS BEING 5550'.



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

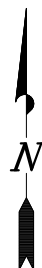
PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH

John R. Laughlin
No. 6028691
JOHN R. LAUGHLIN

THURSTON ENERGY OPERATING COMPANY

LEGAL PLAT

THURSTON 7-9-9-24 GR
2067' FNL, 2070' FEL
SW 1/4 NE 1/4 OF SECTION 9, T9S, R24E,
S.L.B.&M., UTAH COUNTY, UTAH.



TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

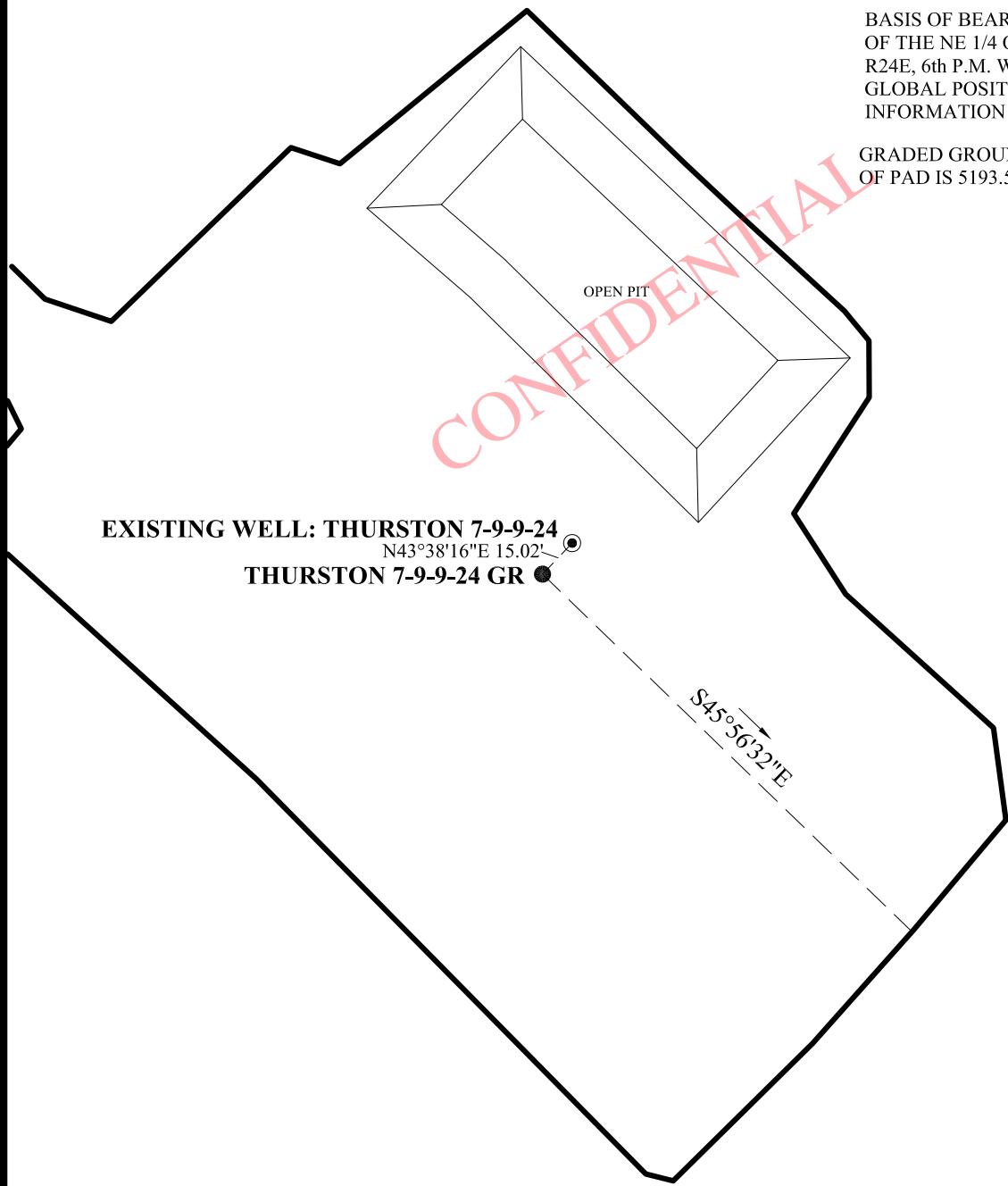
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 11-23-10	SURVEYED BY: M.S.B.	SHEET 2 OF 10
DATE DRAWN: 11-24-10	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

WELL NAME	SURFACE POSITION				
	NAD83		NAD27		FOOTAGES
	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	
THURSTON	40°03'07.21"N	109°13'01.31"W	40°03'07.33"N	109°12'58.88"W	2067' FNL
7-9-9-24 GR	40.05200°N	109.21703°W	40.05204°N	109.21636°W	2070' FEL
THURSTON	40°03'07.31"N	109°13'01.18"W	40°03'07.43"N	109°12'58.75"W	2056' FNL
7-9-9-24	40.05203°N	109.21699°W	40.05207°N	109.21632°W	2060' FEL

BASIS OF BEARINGS IS THE EAST LINE
OF THE NE 1/4 OF SECTION 9, T9S,
R24E, 6th P.M. WHICH IS TAKEN FROM
GLOBAL POSITIONING SATELLITE
INFORMATION TO BEAR N00°06'30"W.

GRADED GROUND ELEVATION
OF PAD IS 5193.5'.



SCALE

**THURSTON ENERGY
OPERATING COMPANY**

WELL PAD INTERFERENCE PLAT

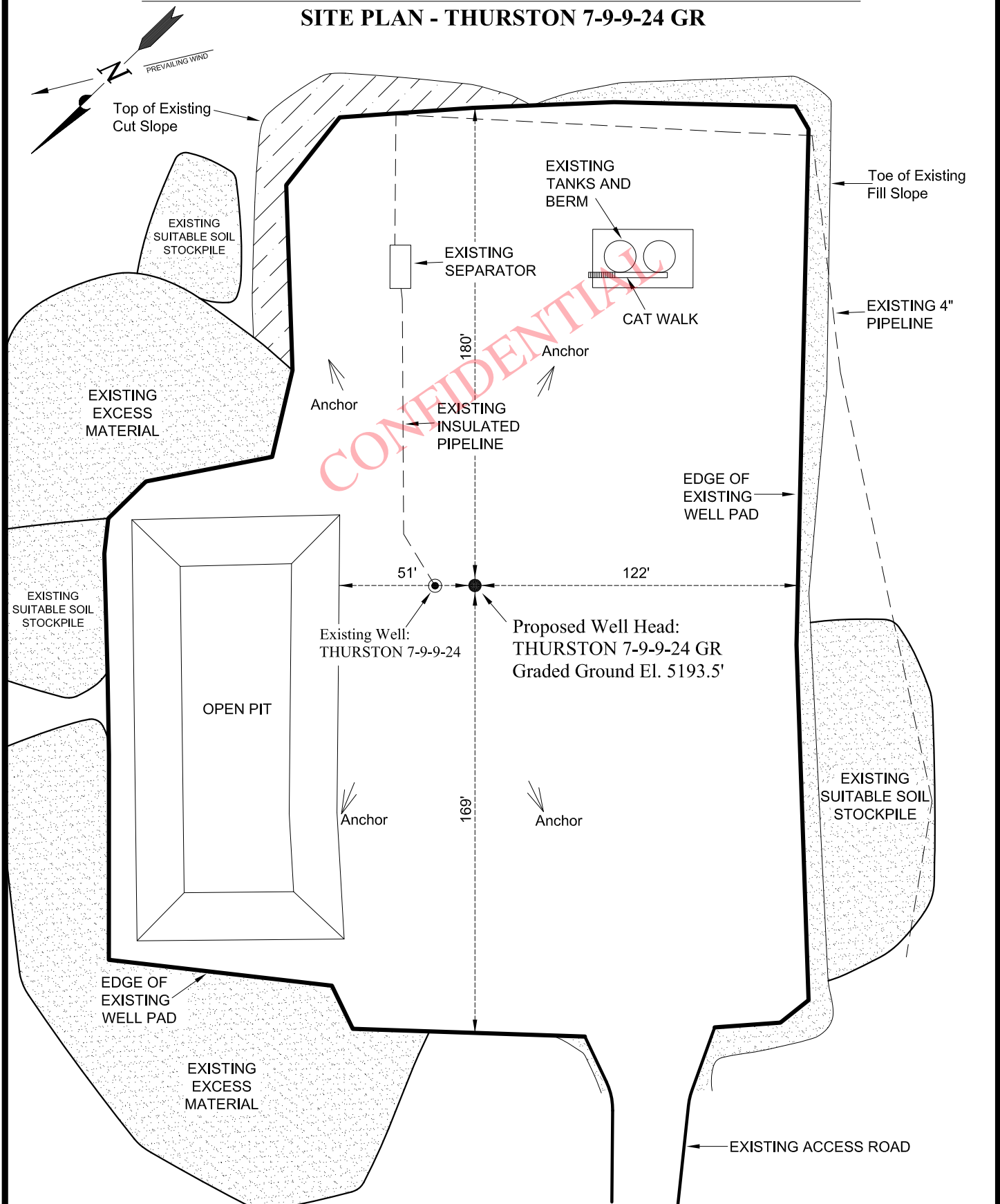
**WELL - THURSTON 7-9-9-24 GR
LOCATED IN SECTION 9, T9S, R24E,
S.L.B.&M., UINTAH COUNTY, UTAH.**

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 11-23-10	PHOTOS TAKEN BY: M.S.B.	SHEET 3 OF 10
DATE DRAWN: 11-24-10	DRAWN BY: M.W.W.	
Date Last Revised:		

THURSTON ENERGY OPERATING COMPANY

SITE PLAN - THURSTON 7-9-9-24 GR



Section 9, T9S, R24E, S.L.B.&M.

Qtr/Qtr Location: SW NE

Footage Location: 2067' FNL & 2070' FEL

Date Surveyed:
11-23-10

Date Drawn:
11-24-10

Date Last Revision:

TIMBERLINE

(435) 789-1365

SHEET

Surveyed By: M.S.B.

Drawn By: M.W.W.

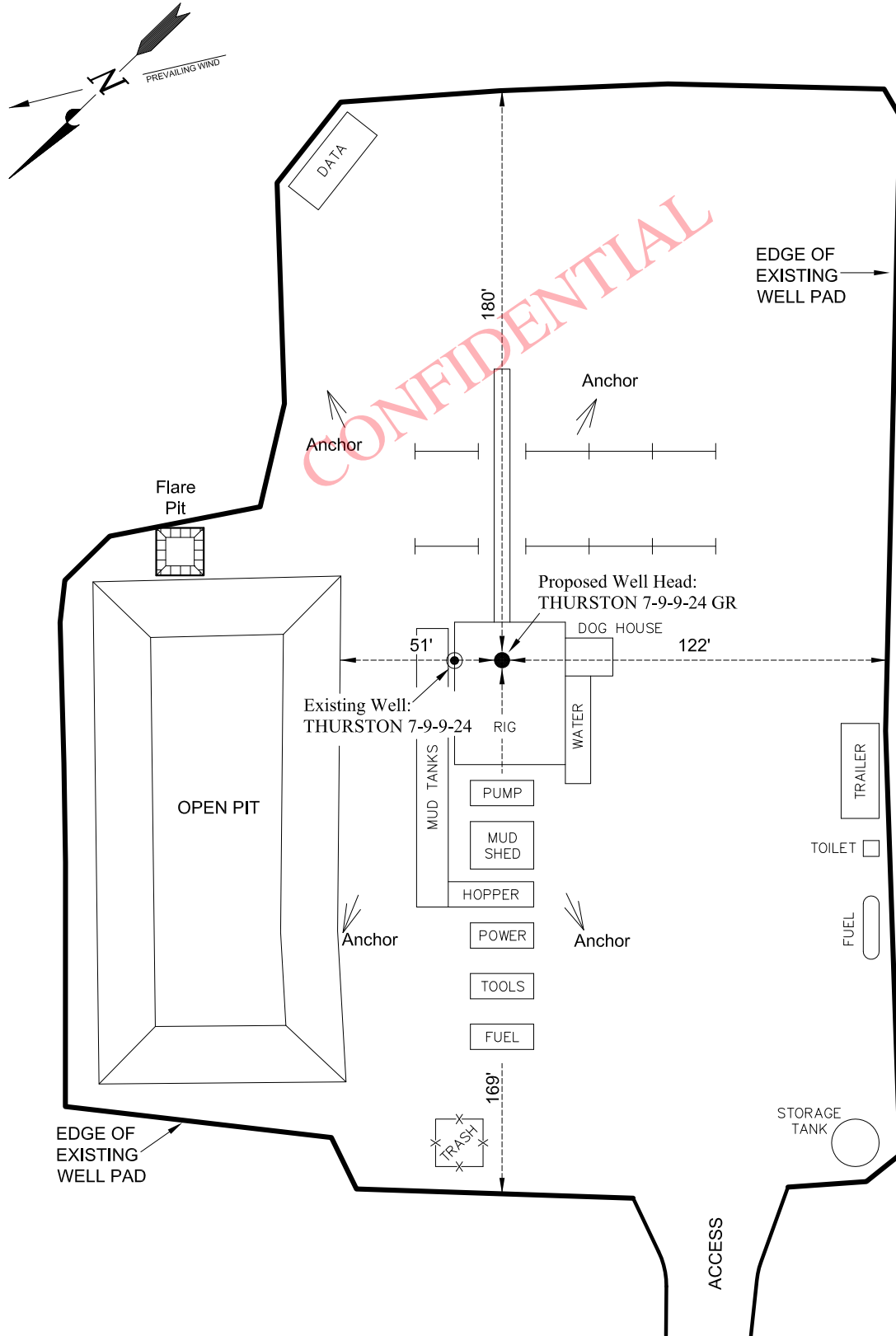
Scale: 1" = 50'

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209 NORTH 300 WEST - VERNAL, UTAH 84078

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OF 10

THURSTON ENERGY OPERATING COMPANY

RIG LAYOUT - THURSTON 7-9-9-24 GR



Section 9, T9S, R24E, S.L.B.&M.

Qtr/Qtr Location: SW NE

Footage Location: 2067' FNL & 2070' FEL

Date Surveyed:
11-23-10

Date Drawn:
11-24-10

Date Last Revision:

Surveyed By: M.S.B.

Drawn By: M.W.W.

Scale: 1" = 50'

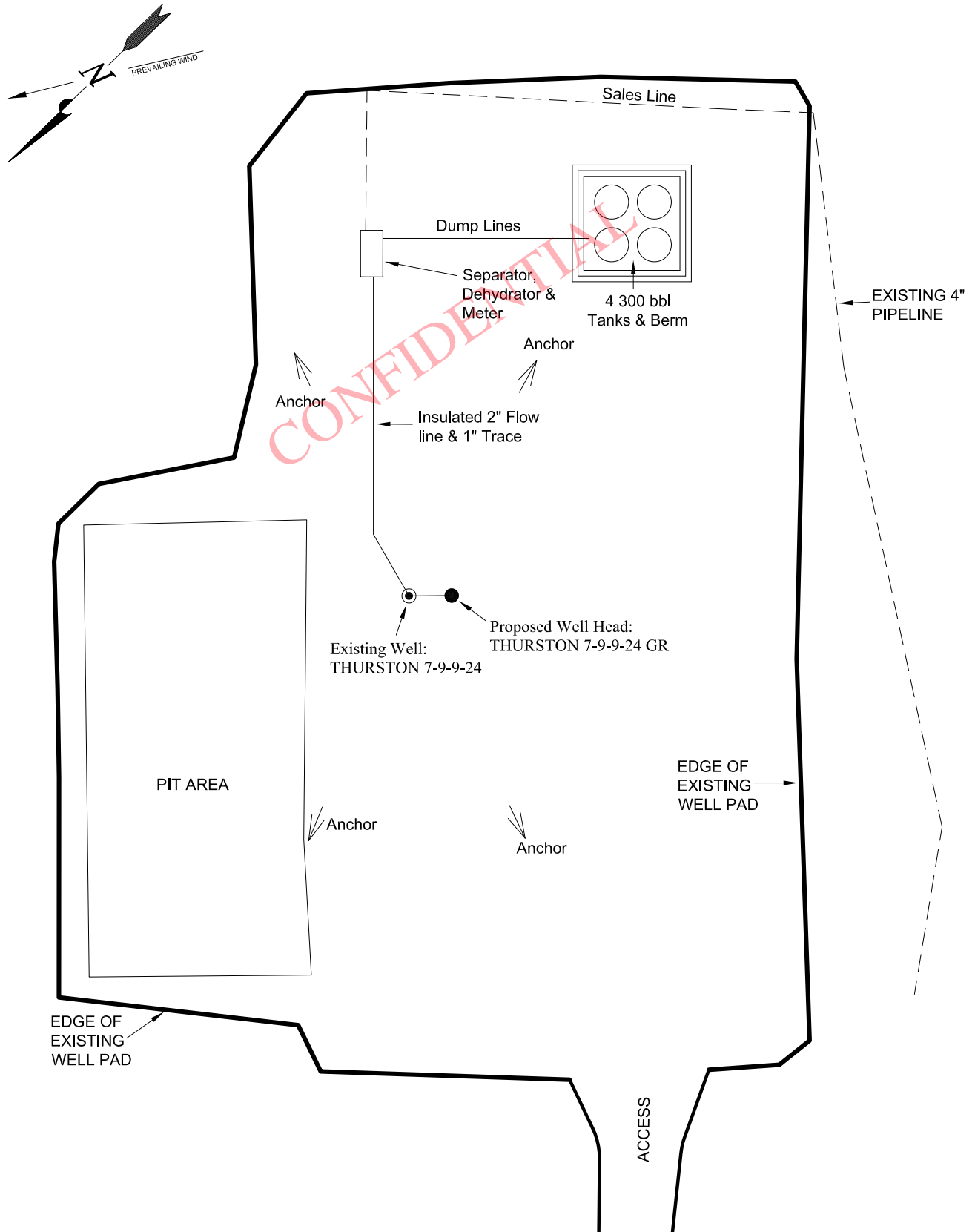
TIMBERLINE
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(435) 789-1365

SHEET
5
OF 10

THURSTON ENERGY OPERATING COMPANY

PRODUCTION LAYOUT - THURSTON 7-9-9-24 GR



Section 9, T9S, R24E, S.L.B.&M.

Qtr/Qtr Location: SW NE

Footage Location: 2067' FNL & 2070' FEL

Date Surveyed:
11-23-10

Date Drawn:
11-24-10

Date Last Revision:

TIMBERLINE

(435) 789-1365

SHEET
6

Surveyed By: M.S.B.

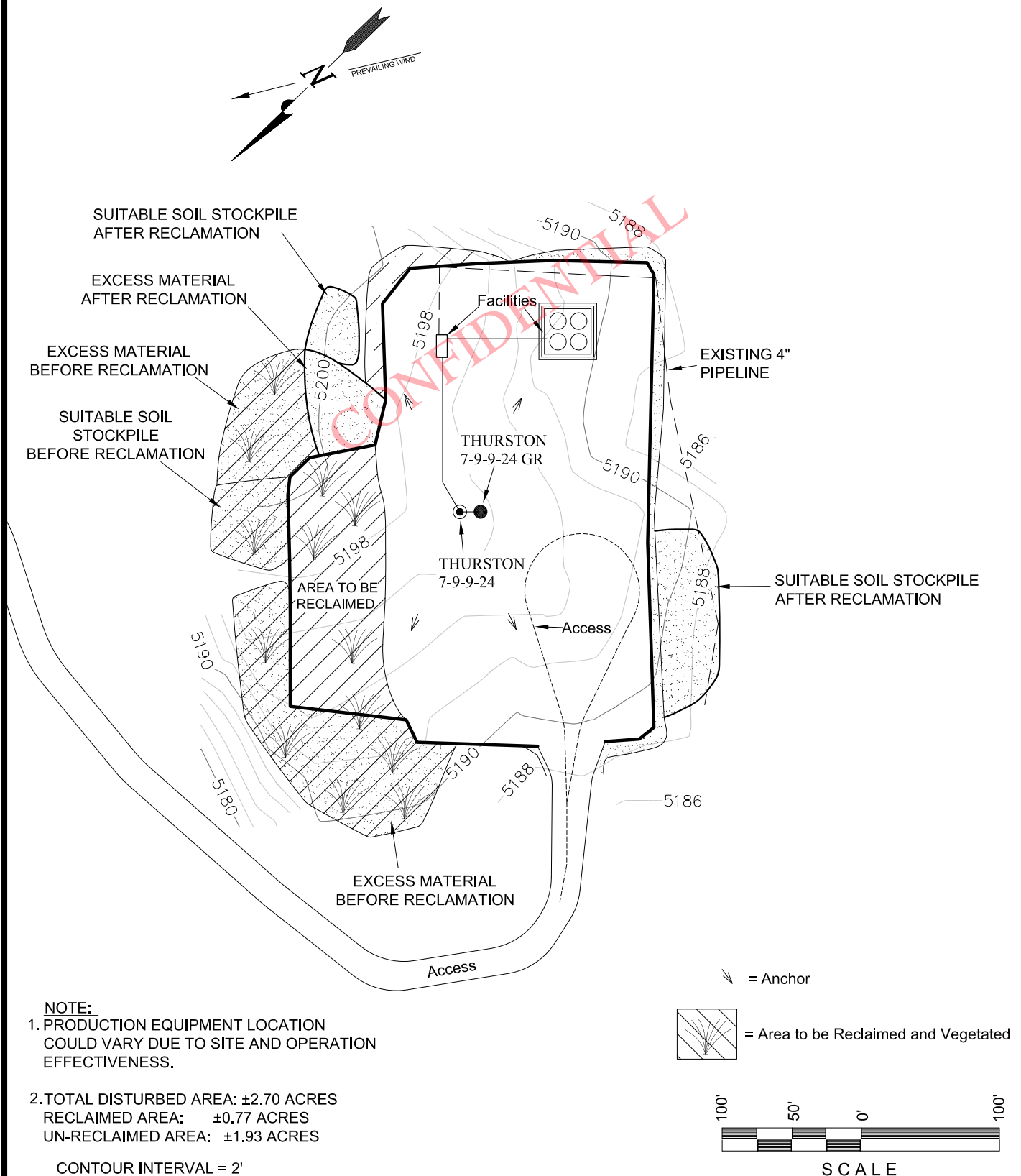
Drawn By: M.W.W.

Scale: 1" = 50'

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

OF 10

THURSTON ENERGY OPERATING COMPANY**INTERIM RECLAMATION DIAGRAM - THURSTON 7-9-9-24 GR**

Section 9, T9S, R24E, S.L.B.&M.

Qtr/Qtr Location: SW NE

Footage Location: 2067' FNL & 2070' FEL

Date Surveyed:
11-23-10Date Drawn:
11-24-10

Date Last Revision:

TIMBERLINE
ENGINEERING & LAND SURVEYING, INC.

(435) 789-1365

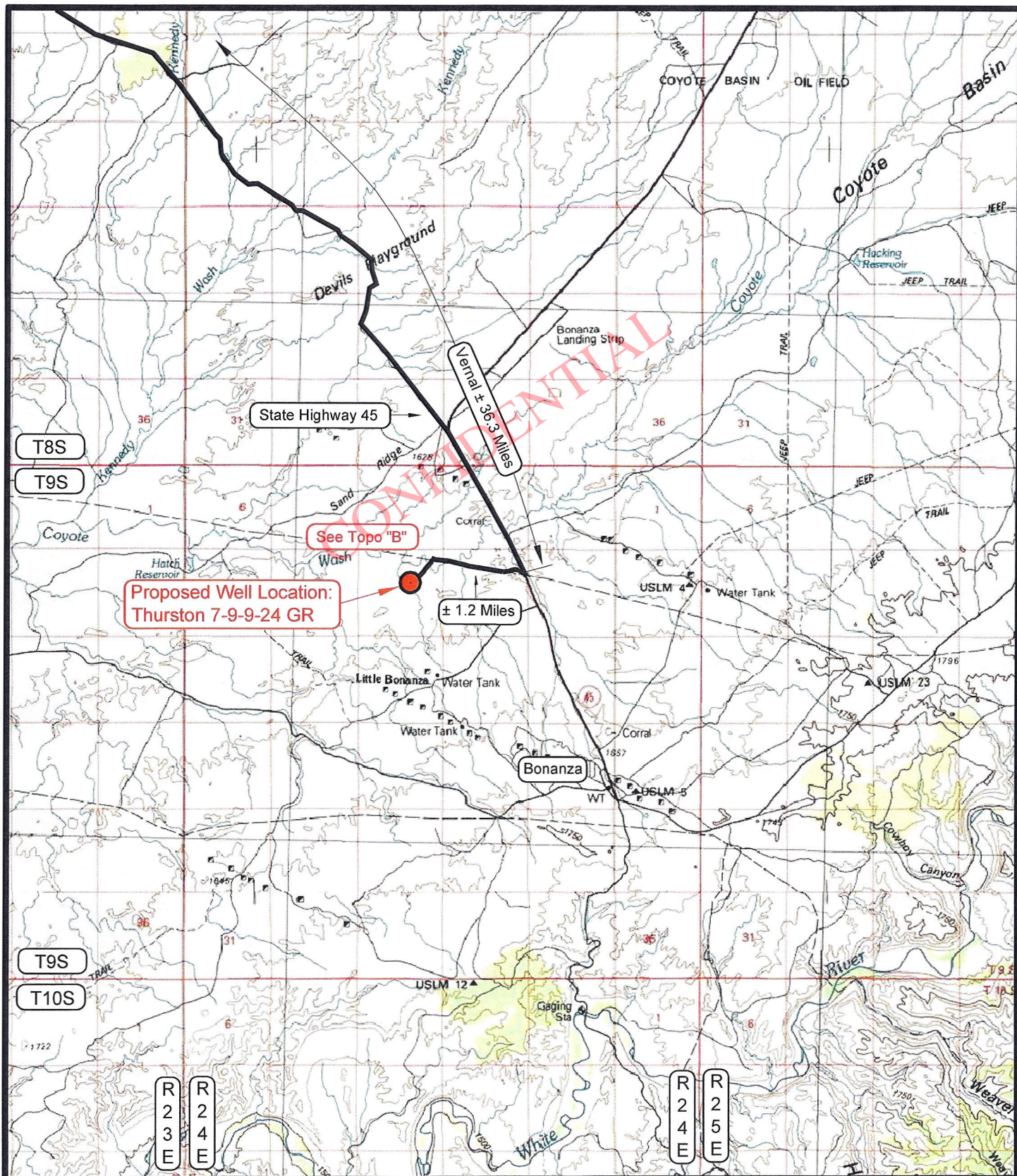
209 NORTH 300 WEST - VERNAL, UTAH 84078

Surveyed By: M.S.B.

Drawn By: M.W.W.

Scale: 1" = 100'

SHEET
7
OF 10



LEGEND

PROPOSED ACCESS ROAD
 --- = SUBJECT WELL
 --- = OTHER WELLS
 --- = EXISTING ROAD
 --- = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER



THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24 GR

Other wells on this pad: Thurston 7-9-9-24
 SECTION 9, T9S, R24E, S.L.B.&M.

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 11-23-10

DATE DRAWN: 11-24-10

REVISED:

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.

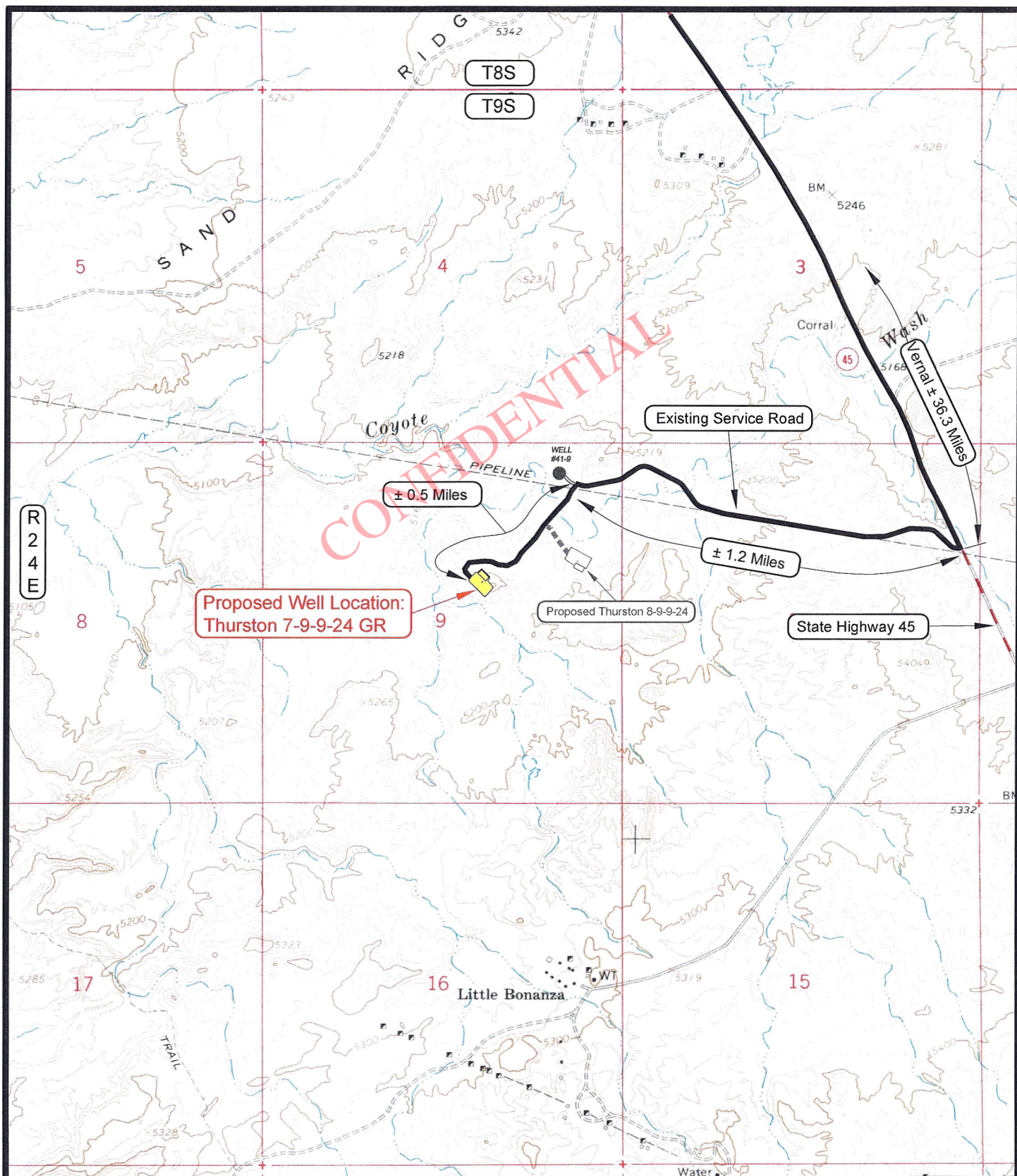
209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SHEET

8

OF 10



LEGEND

PROPOSED ACCESS ROAD
 --- = SUBJECT WELL
 --- = OTHER WELLS

— = EXISTING ROAD
 — = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER
 — = LEASE LINE AND / OR PROPERTY LINE



THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24 GR

Other wells on this pad: Thurston 7-9-9-24
 SECTION 9, T9S, R24E, S.L.B.&M.

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 11-23-10

DATE DRAWN: 11-24-10

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.

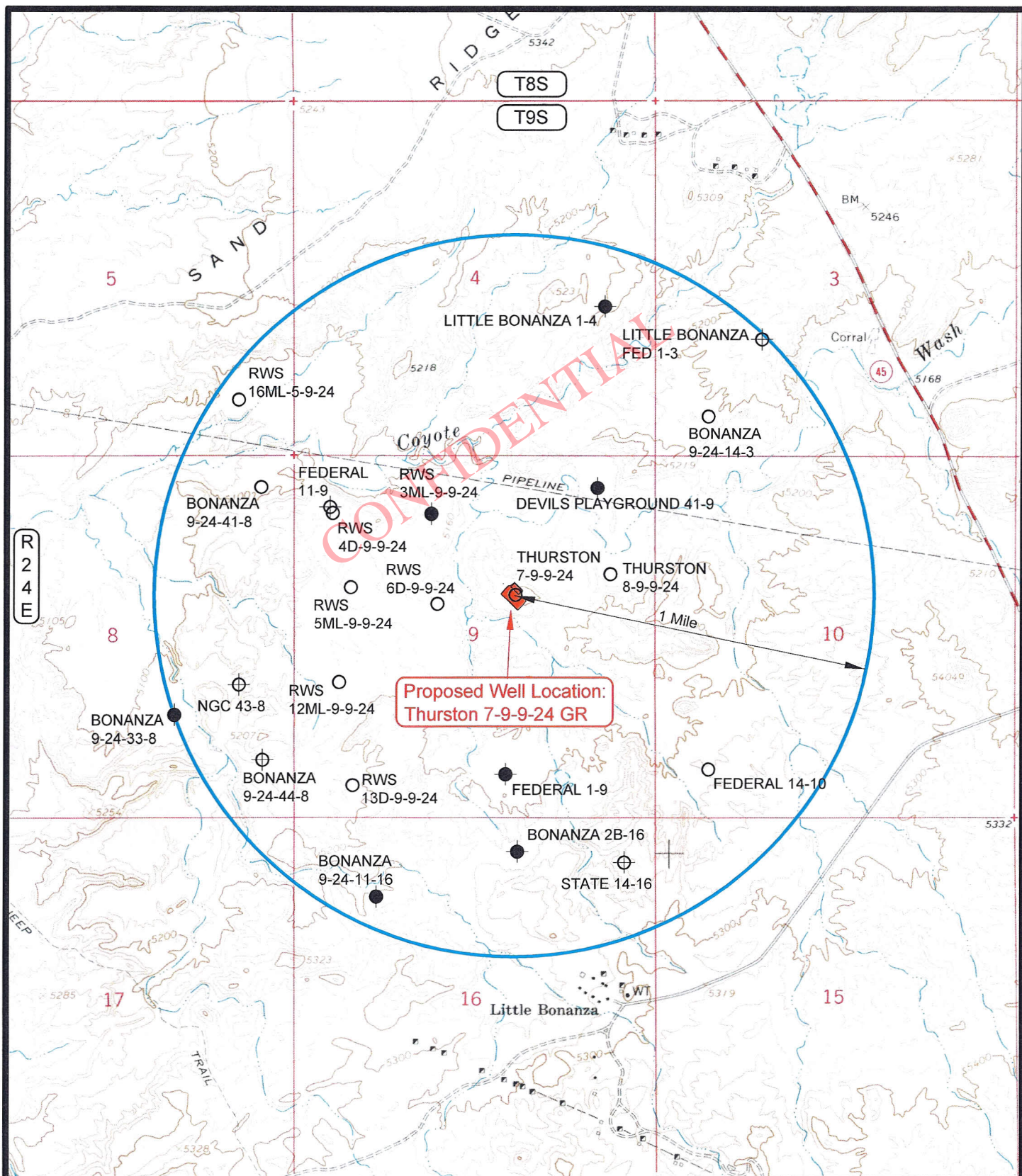
209 NORTH 300 WEST - VERNAL, UTAH 84078

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SHEET

9

OF 10



LEGEND

- | | |
|--------------------|--------------------------------|
| ⊗ = DISPOSAL WELL | ⊗ = WATER WELL |
| ● = PRODUCING WELL | ● = ABANDONED WELL |
| ● = SHUT IN WELL | ● = TEMPORARILY ABANDONED WELL |
| ○ = PROPOSED WELL | ⊗ = ABANDONED LOCATION |

THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24 GR
SECTION 9, T9S, R24E, S.L.B.&M.
2067' FNL & 2070' FEL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 11-23-10

DATE DRAWN: 11-24-10

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

TIMBERLINE

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

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10
OF 10

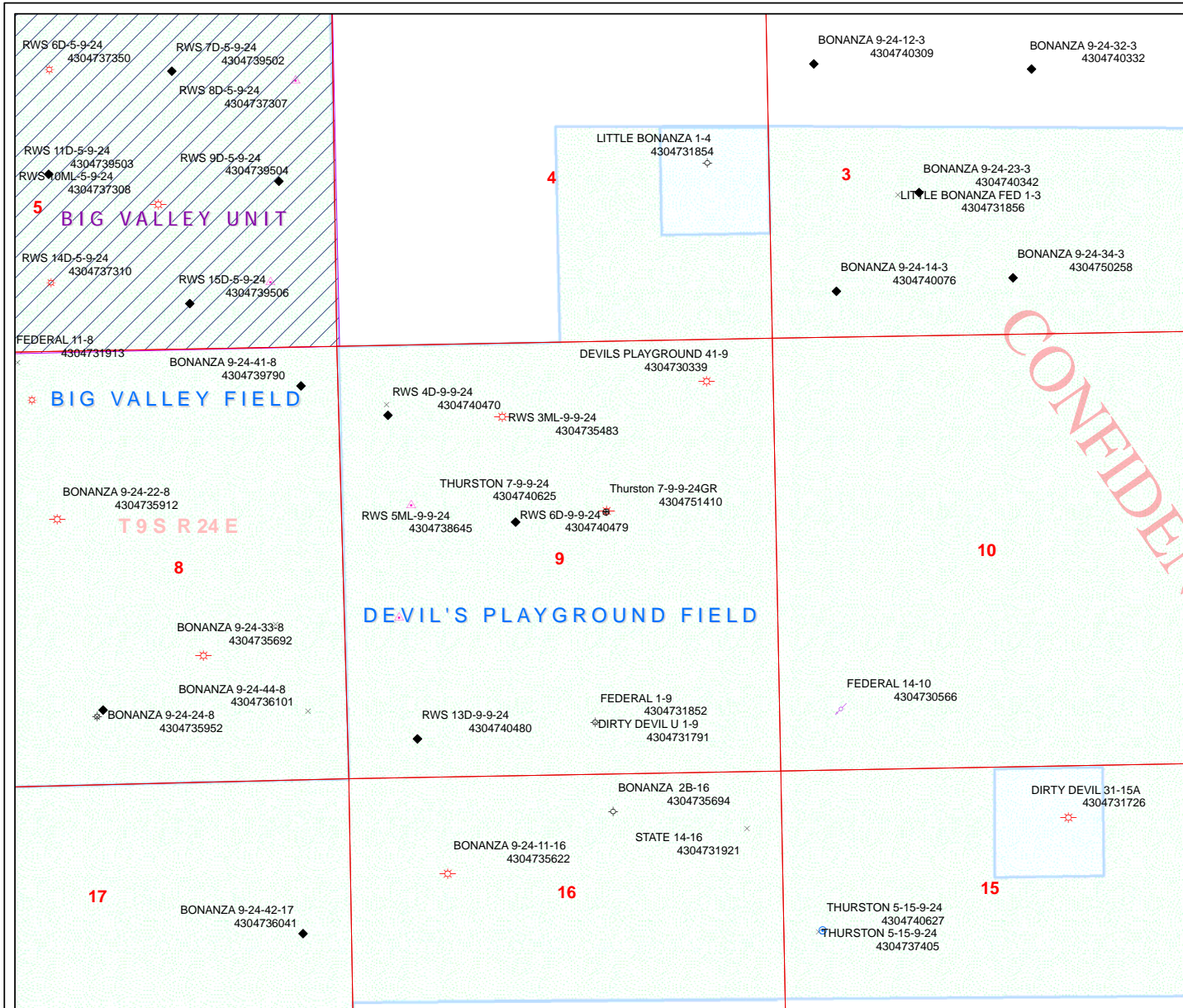
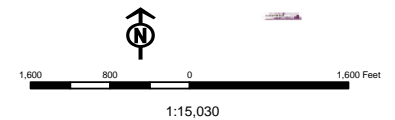
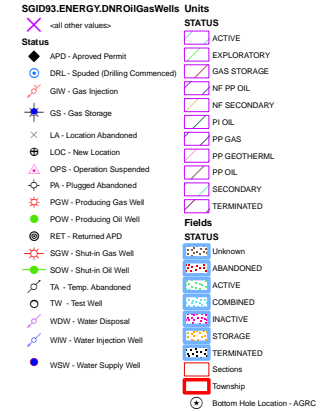
THURSTON ENERGY OPERATING COMPANY
Thurston 7-9-9-24 GR
Section 9, T9S, R24E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 33.0 miles to the junction of a service road to the northwest. Exit right and proceed in a northwesterly direction along the service road approximately 1.2 miles to the access road serving the Thurston 7-9-9-24 well pad. Exit left and proceed in a southwesterly direction along the access road approximately 0.5 miles to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 38.0 miles.

API Number: 4304751410
Well Name: Thurston 7-9-24GR
Township 09.0 S Range 24.0 E Section 09
Meridian: SLBM
Operator: THURSTON ENERGY OPERATING

Map Prepared:
Map Produced by Diana Mason



WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/14/2010

API NO. ASSIGNED: 43047514100000

WELL NAME: Thurston 7-9-9-24GR

OPERATOR: THURSTON ENERGY OPERATING (N2790)

PHONE NUMBER: 435 789-8580

CONTACT: Russell H. Cox

PROPOSED LOCATION: SWNE 09 090S 240E

Permit Tech Review: ☒

SURFACE: 2067 FNL 2070 FEL

Engineering Review: ☐

BOTTOM: 2067 FNL 2070 FEL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.05193

LONGITUDE: -109.21639

UTM SURF EASTINGS: 652141.00

NORTHINGS: 4434835.00

FIELD NAME: DEVILS PLAYGROUND

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-5217

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ **PLAT**

☒ **Bond:** FEDERAL - UT-000181

☐ **Potash**

☐ **Oil Shale 190-5**

☐ **Oil Shale 190-3**

☐ **Oil Shale 190-13**

☒ **Water Permit:** White River Permit #49-2286

☐ **RDCC Review:**

☐ **Fee Surface Agreement**

☐ **Intent to Commingle**

Commingle Approved

LOCATION AND SITING:

☐ **R649-2-3.**

Unit:

☐ **R649-3-2. General**

☐ **R649-3-3. Exception**

☒ **Drilling Unit**

Board Cause No: Cause 179-15

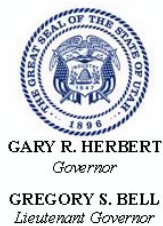
Effective Date: 7/17/2008

Siting: 460' From Exterior Boundary

☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Thurston 7-9-9-24GR
API Well Number: 43047514100000
Lease Number: UTU-5217
Surface Owner: FEDERAL
Approval Date: 12/21/2010

Issued to:

THURSTON ENERGY OPERATING, 365 W. 50 N. Ste W-8, Vernal, UT 84078

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-15. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
- OR
- submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month

- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "J. Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-5217
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: THURSTON 7-9-9-24GR
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2067 FNL 2070 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047514100000
9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND		COUNTY: UINTAH
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/10/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input checked="" type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please be advised that we wish to revise the original application on the well as follows: Change name from Thurston 7-9-9-24GR to new name of Thurston 7-9-9-24 WA Change proposed depth from 5,000' to 8,000', please find attached new drilling program.		
Approved by the Utah Division of Oil, Gas and Mining Date: 06/20/2011 By:		
NAME (PLEASE PRINT) Patti Cox		PHONE NUMBER 435 789-8580
SIGNATURE N/A		TITLE Operations Manager
DATE 6/10/2011		

10 Point Plan
Thurston Energy Operating Company
Thurston 7-9WA
Surface Location SW ¼ NE ¼ Section 9, T. 9S., R. 24E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum

Formation	Depth	Datum
Green River	Surface	+5,194' G.L.
Wasatch	4,330'	+864'
Mesaverde	6,010	-816'
TD	8,000	-2,806'

A 12 ¼" hole will be drilled to 2,000'+. The hole will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Production Formation Depth

Formation objective includes the Wasatch and its sub-members.

Off Set Well information:

Permitted/Drilled:

RWS #3MU-9-9-24
Bonanza 16-8

Abandon Location:

Little Bonanza Fed #1-3
NGC #43-8
State #14-16

Abandon Wells:

Little Bonanza #1-4
Dirty Devil #U1-9
Bonanza #2B-16

Producing Wells:

Thurston 7-9

Devils Playground #41-9

Bonanza #4D-16

4. Proposed Casing:

Hole Size	Casing Size	Weight #/FT	Coupling Grade	Casing &Thread	New/Depth	Used
12 1/4"	8 5/8"	24#	J-55 STC	2000'	New	
7 7/8"	5 1/2"	17#	N-80 LTC	5000'	New	

Cement Program:**Surface Casing will be cemented from 2000' to surface as follows:**

Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead 8 5/8"	Premium V	250 _{skst}	3.82ft ³	11.0 _{ppg}

Prem Lite II. .05#/sk
 Static free, .25#/sk Cello Flake,
 5#sk KOL Seal, .002 gps FP-6L,
 10% Bentonite, .5% Na₂SiO₃, 3% KCL

Tail 8 5/8"	Premium G	300 _{skst}	1.15ft ³	15.8 _{ppg}
-------------	-----------	---------------------	---------------------	---------------------

Class "G", 2% CaCl₂,
 25#sk Cello Flake

Top Job 8 5/8"	Premium G	100 _{skst}	1.15ft ³	15.8 _{ppg}
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4% CaCl₂,
 .25#/sk Cello Flake

Production Casing will be cemented from TD to 1800' or higher as follows:

Casing	Cement	Cement	Cement	Cement
Size	Type	Amounts	Yield	Weight
Lead 5 1/2"		Premium V 220 _{sks} +	3.82ft ₃	11.0 _{ppg}
Prem Lite II. .05#/sk				
Static free, .25#/sk Cello Flake,				
5#sk KOL Seal, .002 gps FP-6L,				
10% Bentonite, .5% Na ₂ SiO ₃ , 3% KCL				

Tail 5 1/2"	Premium G 450 _{sks} +	1.56ft ₃	14.3 _{ppg}
Class "G", .05% Static Free,			
2 NaCl, .1% R-3, 2% Bentonite			

5. BOP and pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000 psi WP BOP system as described in the BOP and pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standers set forth in "On Shore Order #2". The BOP will be mechanically checked daily during drilling operations.

6. Mud Program:

Interval	Mud _{wt} lbs/gal	Vis. Sec/qt	Fluid Loss M1/30 _{mins}	Mud Type
0-2000	Air/clear water	N/A	No control	Air/Water
2000-TD	8.4-11.5	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and logging:

- a) Test: None are anticipated
- b) Coring: Possibility of sidewall coring
- c) Sampling: Every 10' from 2000' to TD
- d) Logging: Type: DLL/SFL W/GR and SP @ Interval: TD to Surface Casing. Type: FDC/CNL W/GR and CAL @ interval: TD to Surface Casing.

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Green River and Wasatch formations. Other wells drilled in the area have not encountered over pressured zones or H₂S.

Thurston Energy Operating Company (Thurston) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- Blowout Prevention Equipment (BOPE) requirements;
- Mud program requirements; and
- Special drilling operation (surface equipment placement) requirements associated with air drilling

This Standard Operating Practices addendum provides supporting information as to why Thurston current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A convention rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, Thurston has used the air rig layout and procedures outlined below to drill the surface casing hole in 4 wells in the Bonanza Area without incident of blowout or loss of life.

Background

In a typical well Thurston utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,600' to 2,000'. The air rig drilling operation does not drill through productive or over pressured formations in Thurston's field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is then mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

Thurston fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in Thurston's fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch bloopie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rig utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit will supply the water to the well bore.

Variance for Special Drilling Operations (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a Thurston location.

Typically the bloopie line discharge point is required to be 100 feet from the well bore. In the case of a Thurston well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The bloopie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the Thurston locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors are located on the rig (1250 cfm) and on a standby trailer (1160 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

Thurston also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as formation integrity test (FIT). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

The air rig operating procedures and rig layout have effectively maintained well control while drilling the surface holes in Thurston Fields. Thurston respectfully requests a variance from Onshore Order 2 with respect to air drilling control requirements as discussed above.

10. Drilling Schedule:

The anticipated starting date is 02/01/2011 Duration of operations is expected to be 15 days.

RECEIVED

DEC 16 2010

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

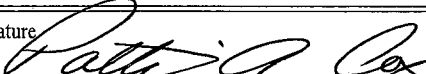
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-5217
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Thurston Energy Operating Company		7. If Unit or CA Agreement, Name and No.
3a. Address 360 W 50 N W-8 Vernal, UT 84078	3b. Phone No. (include area code) 435-789-8580	8. Lease Name and Well No. Thurston 7-9-9-24 WA
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2067' FNL 2070' FEL SWNE Sec9, T9S, R24E, SLB&M At proposed prod. zone same		9. API Well No. 4304751410
14. Distance in miles and direction from nearest town or post office* 38 miles south of Vernal, Utah		10. Field and Pool, or Exploratory Devil's Playground
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2067'	16. No. of acres in lease 120	11. Sec., T. R. M. or Blk. and Survey or Area Sec. 9, T9S, R24E SLB&M
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 15'	19. Proposed Depth 8,000'	12. County or Parish Uintah
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5193.5 GL	22. Approximate date work will start* 08/01/2011	13. State Ut
17. Spacing Unit dedicated to this well 40		
20. BLM/BIA Bond No. on file UTB 000181		
23. Estimated duration 8 days		

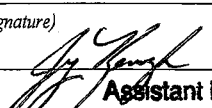
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Patti A. Cox	Date 12/29/2010
---	--------------------------------------	--------------------

Title
Business Manger

Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date AUG 12 2011
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

NOTICE OF APPROVAL
RECEIVED

AUG 18 2011

DIV. OF OIL, GAS & MINING

UDOGM

NOS 11/29/2010

115X50136A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Thurston Energy Operating Company	Location:	SWNE, Sec. 9, T9S, R24E
Well No:	Thurston 7-9-9-24 WA	Lease No:	UTU-5217
API No:	43-047-51410	Agreement:	N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

**7-9-9-24 WA, 13-20-9-24,
5-27-9-24, 15-27-9-24, 9-7-9-24, 13-19-9-24,
8-20-9-24 and the 10-7-9-24.
DOI-BLM-UT-G010-2011-0317-EA**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Additional Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.

- Construction and drilling activities are not allowed from January 1 – August 31 to minimize impacts during golden eagle nesting. This timing limitation only applies to Section 19, T9S, and R24E.
- If it is anticipated that construction and drilling activities will occur during any of the given timing restrictions, a BLM or qualified biologist should be notified so surveys can be conducted. Depending upon the results of the surveys, permission to proceed may or may not be granted by the Authorized Officer.
- See mitigation / applicant committed design features in EA-0317 for more specifics on conditions of approval for potential air quality impacts
- All production tanks except on the 7-9-9-24 location will be placed towards the front of the well pad to maximize interim reclamation, and lessen the potential long term impacts that could occur to soils and vegetation.
- Topsoil shall be wrapped around corner #10 for the 5-27-9-24 location as discussed on the onsite 6/30/2010.
- All access roads shall be built to BLM standards. The crown and ditch method is the standard which helps control runoff from increasing potential erosion rates to the road surfaces. This will also help divert any seasonal flows off the road into vegetated areas to increase the chance for

reclamation success on road disturbance areas that shall be reseeded after construction has ceased, preferably in the fall before ground freeze.

- All production equipment will be painted Covert Green to help blend in with surrounding vegetation.
- On all locations a permanent reference point must be established prior to any reclamation activities. This reference point helps to establish the criteria for successful reclamation based on the Green River District Reclamation Guidelines.
- A dike/berm will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater-treater). It will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut.
- The reserve pit will be fenced on three sides during drilling operations and on the fourth side when the rig moves off location. It will be fenced, and the fence maintained, until the pit undergoes reclamation efforts.
- To insure impermeability, the reserve pit will be lined with a 16 ml or greater liner and felt prior to spudding.
- Reserve pits will be closed as soon as possible, but no later than 180 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop.
- Any hydrocarbons in the reserve pit will be removed immediately upon well completion; in accordance with 43 CFR 3162.7-1. Pits must be free of oil and other liquid and solid wastes prior to filling.
- The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear. The existing access road surface and pad area will be kept free of trash during all operations. All traffic will be confined to the approved disturbed surface area.
- The operator will control noxious weeds and invasive plants along corridors for roads, pipelines, well sites, or other applicable facilities, through a Pesticide Use Permit (PUP).
- An Interim Surface Reclamation Plan for surface disturbance on the well pad, access road, and pipeline has been completed and will be followed for reclamation of the surface. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the unused area using appropriate reclamation methods (Thurstons reclamation plan).
- **The interim/final seed mix for reclamation will be:**

Table 2.3.5 Interim/Final Reclamation Seed Mixture

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	<i>Elymus elymoides</i>	3.0	1/4 - 1/2"
Siberian Wheatgrass	<i>Agropyron fragile</i>	2.0	1/2"
Needle and Thread	<i>Stipa comata</i>	3.0	1/2"
Bluebunch Wheatgrass	<i>Pseudoroegneria spicata</i>	3.0	1/2"
Shadscale	<i>Atriplex confertifolia</i>	0.50	1/2"
Gardner's saltbush	<i>Atriplex gardneri</i>	0.50	1/2"
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	0.10	1/8" - 1/4"

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.

- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be fully reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding. In order the Final Abandonment Notice to be approved Thurston must meet the requirement for successful reclamation as outlined in the Green River District Reclamation Guidelines.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 40 feet for air rig drilling operations. All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs,

core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-5217
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: THURSTON 7-9-9-24 WA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2067 FNL 2070 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047514100000
9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND		COUNTY: UTAH
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/17/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input checked="" type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Please **change the well type** from an oil well to a gas well as when we drill this well it will be drilled as a Wasatch gas well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09/14/2011

By: *Derek Duff*

NAME (PLEASE PRINT) Patti Cox	PHONE NUMBER 435 789-8580	TITLE Business Manager
SIGNATURE N/A	DATE 8/17/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-5217
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: THURSTON 7-9-9-24 WA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2067 FNL 2070 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047514100000
PHONE NUMBER: 214 704-3896 Ext		9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND
COUNTY: UINTAH		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/22/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SPUD REPORT Date of Spud:	
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

APD Extension.

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: February 28, 2012

By:

NAME (PLEASE PRINT) Kayti Hill	PHONE NUMBER 435 789-8580	TITLE Office Manager
SIGNATURE N/A		DATE 2/22/2012



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047514100000

API: 43047514100000

Well Name: THURSTON 7-9-9-24 WA

Location: 2067 FNL 2070 FEL QTR SWNE SEC 09 TWP 090S RNG 240E MER S

Company Permit Issued to: THURSTON ENERGY OPERATING

Date Original Permit Issued: 12/21/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Kayti Hill

Date: 2/22/2012

Title: Office Manager Representing: THURSTON ENERGY OPERATING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 4, 2013

Thurston Energy Operating
365 W. 50 N. Ste. W-8
Vernal, UT 84078

Re: APD Rescinded – Thurston 7-9-9-24 WA, Sec. 9, T.9, R.24E,
Uintah County, Utah API No. 43-047-51410

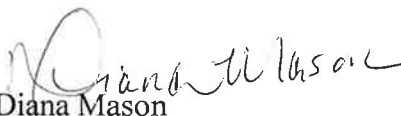
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 21, 2010. On February 28, 2012 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 4, 2013.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Uintah





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



APR 17 2015

IN REPLY REFER TO:
3160 (UTG011)

Chris Curton
Thurston Energy Operating Company
4925 Greenville Ave., #840
Dallas, TX 75206

RECEIVED

MAY 04 2015

DIV. OF OIL, GAS & MINING

Dear Chris:

43 047 51410

The referenced Applications for Permit to Drill (APD) have expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

Lease	Well	Aliquot	Sec., T., R.	Date Rec'd	Date Exp'd
UTSL-071725C	Thurston 5-27-9-24	SWNW	Sec. 27-T9S-R24E	10/20/2010	8/10/2013
UTSL-071725C	Thurston 15-27-9-24	SWSE	Sec. 27-T9S-R24E	10/20/2010	8/10/2013
UTU-0145459	Thurston 9-7-9-24	SWNW	Sec. 7-T9S-R24E	10/20/2010	8/10/2013
UTU-0145459	Thurston 10-7-9-24	NWSE	Sec. 7-T9S-R24E	12/30/2010	8/10/2013
→ UTU-5217	Thurston 7-9-9-24 WA	SWNE	Sec. 9-T9S-R24E	12/16/2010	8/11/2013
UTU-31266	Thurston 13-19-9-24	Lot 4	Sec. 19-T9S-R24E	10/20/2010	8/16/2013
UTU-31266	Thurston 8-20-9-24	SENE	Sec. 20-T9S-R24E	10/20/2010	8/10/2013
UTU-31266	Thurston 13-20-9-24	SWSW	Sec. 20-T9S-R24E	10/20/2010	8/10/2013

This office requires a letter confirming that no surface disturbance has been made for these drill sites. Any surface disturbance associated with the approved location of these wells is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM
bcc: Well File
I&E Asst.